MINUTES - REGULAR MEETING
SANTA MARIA CITY COUNCIL

CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA

NOVEMBER 5, 2013

INVOCATION
Lorena Reyes of Santa Maria Bahai Community Church gave the invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Boysen led the Pledge of Allegiance.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Boysen, Green, Orach, Zuniga, and Mayor Patino.

STAFF MEMBERS PRESENT
City Manager Haydon, City Attorney Trujillo, Director of Community Development Appel, Deputy City Manager Lara, Deputy City Manager Barnhard, Fire Chief Orr, Director of Utilities Sweet, Director of Public Works/City Engineer Whitehead, Director of Administrative Services Visé, Police Chief Martin, Deputy City Clerk Cleary, and Chief Deputy City Clerk Garietz.

1. PROCLAMATIONS/COMMENDATIONS/PRESENTATIONS:
There were no proclamations or presentations.

2. PUBLIC COMMENT PERIOD (NOT TO EXCEED A TOTAL OF 15 MINUTES):

Pedro Reyes thanked the City and Council for the success of Dia de los Muertos. He spoke of how the event really brought the community together.

Esperanza Salazar representing LULAC Youth Council thanked the City Council for assisting Luis Santos with his trip to Washington D.C. She indicated that LULAC was there to support him and proud of him. They hope to send more students next year.

Ernest Armenta spoke about the Santa Maria Police Officers' Association and prior complaints of misuse of time off. He requested posting a flyer on the overhead.

Luis Santos representing LULAC Youth Council spoke about his trip to Washington D.C., and about the government shut down and the impacts on the Capital during his visit. He appreciated the opportunity to learn about the STEM (Science, Technology, Engineering and Math) program.

Leonardo Espinoza, Jr. and Angel Fuentes Moreno indicated they were students at Allan Hancock College and were interested in establishing a Youth Advisory Council within the community. Their primary goal this year is to assist with leadership avenues among high school districts.

Leonardo Espinoza, Jr. spoke about having grown up in Santa Maria. He has noticed the improvements in lighting and landscaping in town and requested a strip of sidewalk be put in on Blosser between Donovan and Alvin.

3. CONSENT CALENDAR:
Councilmember Boysen indicated he would be abstaining from voting on Item 3C, Payment of Warrants, due to a financial conflict as a paid employee of Good Samaritan. Councilmember Orach indicated he would be abstaining from voting on the same item due to a financial conflict as a paid employee of Toyota of Santa Maria.

Consent Calendar Items 3A through 3F (except 3C) were approved on motion by Councilmember Green, seconded by Councilmember Boysen, and carried on the following vote: 5-0

AYES:	Councilmembers Boysen, Green, Orach, Zuniga, and Mayor Patino
NOES:	None
ABSENT:	None
ABSTAIN:	None

Consent Calendar Item 3C only was approved on motion by Councilmember Zuniga, seconded by Councilmember Green, and carried on the following vote: 3-0-2.

AYES:	Councilmembers Green, Zuniga, and Mayor Patino
NOES:	None
ABSENT:	None
ABSTAIN:	Councilmembers Boysen and Orach

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar were adopted by the same vote cast at the first reading unless City Council indicated otherwise.

B. MINUTES
The Minutes of the Regular City Council Meeting of October 15, 2013, were approved as submitted.

C. WARRANTS
Warrant Nos. 182640 to 182909 totaling $1,440,365.88 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrant Nos. 181563 and 182379 were cancelled.

D. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Administrative Services and having been approved for payment by the Director of Administrative Services.

E. ADOPTION OF ORDINANCE NO. 2013-12
The City Council conducted the second reading and adopted Ordinance No. 2013-12 amending Title 9 of the Santa Maria Municipal Code to adopt the 2013 California Building Code, Plumbing Code, Electrical Code, Mechanical Code, Historical Building Code, Green Building Standards Code, Residential Building Code, and the Existing Building Code, with local amendments.

Ordinance No. 2013-12 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AMENDING CHAPTERS 9-1, 9-2, 9-4, AND 9-5 OF TITLE 9 OF THE SANTA MARIA MUNICIPAL CODE.

F. CALL FOR BIDS
The City Council gave approval to call for bids on the plans and specifications for Bid No. 2014/03, San Ysidro Sidewalk Replacement Project.

REGULAR BUSINESS:

4. FINANCIAL REPORT FOR THE FIRST QUARTER ENDING SEPTEMBER 30, 2013, AND A BUDGET AMENDMENT REPORT FOR FISCAL YEAR 2013-14. The City Council considered the quarterly financial report for the first quarter of Fiscal Year 2013-14. Director of Administrative Services Visé gave a report as detailed in the written Council Agenda Report. The Nation's unemployment rate dropped to a 5-year low of 7.2 percent in September, but employers continued to show reluctance in hiring as they only added 148,000 new jobs in September. This reluctance in growth is likely to reinforce the hesitancy of the federal reserve to begin the withdrawal of its monetary stimulus program. Santa Maria's unemployment is currently at 10 percent. That's the third highest in the county behind Guadalupe and Lompoc. On the housing front, nationally, home ownership is at its lowest level since 1995. With the recession, many people gave up their homes and had to rent. With an increase in rental demand, rental fees have increased and, in turn, now make home ownership more attractive to those currently renting. Locally, home ownership is also down and the median home price is $272,000 compared to $205,000 in 2012.

With regard to city revenues, sales tax revenues are $117,000 greater than last year. Permit revenue is $241,000 greater than budget due to increased construction activity and the improving local economy. With 25 percent of the year complete, revenues are at 13.4 percent of projections while expenditures are at 19.2 percent of appropriations. Revenues are less than budgeted primarily because property tax revenue is not received until December and April each year. The City adopted the 2013-14 Budget using approximately $2.5 million in Local Economic Augmentation Fund (LEAF) reserves. Sales tax revenues are increased from last year. Hotel/Bed tax, Non-Hazardous Impacted Soils Program (NHIS), and Interest are all slightly less than last year, but License, Permits, and Fees are up from last year due to commercial, industrial and residential projects moving through the construction process. The first three months of Measure U revenues are at 23.8 percent of budget at $957,000 and expenditures are at 18.2 percent of budget. In the Water/Wastewater Fund, expenditures exceeded revenues by $1.5 million. The semi-annual debt service payment for the 2012AB Refunding Bonds occurred in the first quarter for approximately $3,852,000 and the remaining debt service payment of $777,000 will occur in the second half of the fiscal year. Solid Waste Fund revenues exceeded expenses by $300,000.

Requested amendments to the budget include the creation of the full-time classifications of Solid Waste Equipment Operator I and Solid Waste Equipment Operator II; reclassification of nine personnel from the Solid Waste Equipment Operator classification assigned to residential collections to Solid Waste Equipment Operator I; reclassification of nine personnel from the Solid Waste Equipment Operator classification assigned to commercial collections to Solid Waste Equipment Operator II; and the abolishment of the classification of Solid Waste Equipment Operator. Staff also requested an increase of appropriations by $1,100,000 in the Measure A – Alternative Transportation Enhancements Budget. The

City is required to spend 15 percent of Measure A revenues on alternative transportation enhancements. Based on that, the City will need to spend $3.3 million through 2014-15. The request for $1.1 million would allow for the efficient programming of the alternative transportation enhancement expenditures.

Councilmember Boysen asked about the information regarding County property taxes increasing by 4 percent. He asked if there was evidence of that in Santa Maria.

Director of Administrative Services Visé responded the City had budgeted a 1.7 percent increase. The two agreed perhaps the growth was primarily in the south county area.

Councilmember Zuniga asked about the annual costs the City paid for animal control services.

City Manager Haydon responded that staff has looked into the issue off and on for the last 5 to 6 years. Currently, the City contracts with the County for about $667,000 in animal control services. The City contracts with the County for two components: field services and sheltering. The City would like to handle field services itself and work with the County regarding sheltering. Santa Barbara County has a shelter in Santa Maria, Lompoc, and Santa Barbara. The Santa Barbara shelter is smaller than Santa Maria's, has less capacity than Santa Maria and pays roughly $302,000/year. If you take the difference between $667,000 and $302,000, that leaves roughly $365,000 for field services. If the City were to do field services, it would cost about $400,000. Consequently, the cost benefit would not be in our favor if the City was to provide the services in-house.

Councilmember Zuniga asked about the funding borrowed from the Solid Waste Enterprise Fund to pay for the levee and asked when the payments would be made toward the loan.

Director of Administrative Services Visé responded the first of nine annual payments was made in October in the amount of $106,130.

Councilmember Zuniga asked how much longer the City would be paying for State Water charges.

Director of Utilities Sweet responded that the capital expense will end in 2035, but there are expected to be contract extensions. He pointed out that as long as the City is using State water, it will be paying for State water.

Councilmember Green asked about the home ownership rate noting that it was at 65 percent.

Director of Administrative Services Visé responded that it was the national average. The first housing recession caused a lot of people to lose their homes. The rental rates went up as displaced homeowners needed to rent. Interest rates became so low that a lot of people could now get back into home ownership.

Councilmember Orach commented that he was surprised at how high home values are now and expressed concerns about property tax increases.

Public Input
There were no requests to speak.

Council Discussion
City Manager Haydon discussed revenues and expenses related to Measure U2012. He explained revenues were roughly $950,000, expenditures were $840,000. However, the City did pay the $106,103 toward the levee; therefore, revenues and expenses were as expected. As far as revenues and expenses in the General Fund, the City is cautiously optimistic about the fact that the economy was improving. Council previously adopted a budget in which expenditures exceeded revenue by $3 million. Staff was balancing the deficit with reserves from the General Fund and $2.5 million from the LEAF account. Any improvements in the economy will help pay down deficit.

Mayor Patino asked about the reduction in the Transient Occupancy Tax for the period. She wondered if the cancellation of the air show or other events might have caused that the decrease.

Director of Administrative Services Visé responded he could not be sure what the cause was.

Resolution No. 2013-95 was adopted approving budget amendments for 2013-14 and authorizing the City Manager to implement same on vote from Councilmember Orach, seconded by Councilmember Green, and carried on the following vote:

AYES:	Councilmembers Boysen, Zuniga, Green, Orach, and Mayor Patino
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution No. 2013-95 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AN AMENDMENT TO THE 2013-14 BUDGET AND AUTHORIZING THE CITY MANAGER TO IMPLEMENT SAME.

REPORT BY CITY MANAGER:
City Manager Haydon gave a report on the items scheduled for the City Council meeting of November 19, 2013, including a proclamation for American Indian Heritage Month, the recognition of the Volunteer of the Month from the Police Department, a presentation and award to Chief Orr from the League of Cities for the Listos Program; Consent Agenda items regarding the CDBG Action Plan amendment, a Proposition 1B Transit Capital Project, the donation of surplus computers to the Santa Maria Bonita School District; and Regular Business item regarding the 2013 Leisure Assessment and Action Plan for the Recreation and Parks Department.

City Manager Haydon responded to Mr. Armenta's allegations of policy violations. He indicated that any allegations that are policy violations were followed up by staff. The City contracts with outside investigators and, if any violations are found, takes disciplinary actions. Due to the Police Officer's Bill of Rights, the City was not able to make comments about what those actions are. City Manager Haydon also stated that historically, the public comment portion of the Council meeting is provided to hear input from the public. Therefore, posting a picture, video, or other graphic is not done during that time.

Mayor Patino acknowledged City Manager Haydon, Fire Chief Orr, and Police Chief Martin for their coordination of the placement of the displaced individuals from the Town Center Inn fire. She also acknowledged the Southern Baptist Coalition, various churches in the community, and the volunteers from the Red Cross and the Good Samaritan Shelter personnel.

ORAL REPORTS OF COUNCILMEMBERS AND OFFICERS (INCLUDING AB1234 REPORTS):
Councilmember Zuniga reported that she attended the final Councilmember orientation meetings with Director of Administrative Services Visé and City Librarian Housel. She also went to the Grand Opening of the Good Samaritan Permanent Resident housing. She commented on the hotel fire and about the support that was provided to the residents who were displaced, and how helpful everyone has been.

Councilmember Orach reported that he also shared the sentiments of Councilmember Zuniga regarding the Town Center Inn fire and efforts to help those displaced from their homes.

Councilmember Green reported that he attended the ceremony for the completion of the Union Valley Parkway. He also went to the neighborhood town hall meeting, the Nipomo River Crossing celebration, the Conoco Phillips barbecue, the Good Samaritan grand opening, the Legacy La Ventana groundbreaking, and the Economic Action Summit meeting in Buellton.

Councilmember Boysen reported that he attended CCWA Board of Directors meeting, and the Quarterly Investment Review meeting put on by the PFM group. He spoke about the Good Samaritan Shelter Grand Opening of the Casa de Familia Apartments. He thanked the City of Santa Maria and County of Santa Barbara for all their help over the past 10 years in providing funding for their project. He also commented on the Nipomo Community Services District River pipeline opening. This partnership with Nipomo provides them with Santa Maria water preventing them from pumping too much water from their own basin, which could, in turn, hurt the Santa Maria water supply.

Mayor Patino reported that she attended the Air Pollution Control District's Board of Directors meeting, spoke at the Military Officers Association Luncheon, attended the Santa Barbara County Veterans Stand Down event, attended the Boys & Girls Club Celebrating Cultural Diversity Day, and the grand opening of the Salvation Army. She also participated in the strategy meeting for displaced Town Center Inn residents to help advise people on what the next steps would be. She also attended the town hall meeting for the Southeast neighborhood, the Santa Maria airport update, the EconAlliance Ag Team Kick-off meeting, the Nipomo Water project, the Spurs & Diamonds Auction and Local Celebrity Chef Dutch Oven cook-off, the 140th anniversary of the First United Church, the Vista Del Mar Hospital ribbon cutting ceremony, the grand opening of Casa de Familia, the Legacy at La Ventana ground breaking, the UCSB Economic Impact study of the Santa Barbara Oil and Gas Industries, the Dia de los Muertos cultural festival at the Vet's Hall, and will be attending the North County Sub-Regional Meeting briefing on November 6.

CLOSED SESSION:
The City Council recessed at 7:23 p.m. to a closed session regarding Conference with Labor Negotiators pursuant to Section 54957.6 of the Government Code; Agency Representative: Deputy City Manager; Employee Organizations: Santa Maria Police Officers Association (SMPOA); Santa Maria Police Association of Middle Management (SMPAMM); Santa Maria Fire Fighters Union (Local 2020); Service Employees International Union (SEIU) Local 620; Public Safety Managers; and Non-Represented Management and Confidential Employees.

After the Closed Session, City Attorney Trujillo reported that direction to staff was given.

ADJOURNMENT:
There being no further business to come before the City Council at this time, Mayor Patino declared the meeting of the City Council adjourned at 8:56 p.m. in honor of Nat Fast, a beloved community member, teacher, and mentor in the arts.

APPROVED

November 19, 2013
Date

Rhonda M. Garietz
Chief Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council

Alice M. Patino
Mayor of the City of Santa Maria

ATTEST

Rhonda M. Garietz, CMC
Chief Deputy City Clerk